```
MAILED

JAN 1 8 2005

U.S. PATENT AND TRADEMARK OFFICE
BOARD OF PATENT APPEALS
AND INTERFERENCES
```

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES

<u>Ex parte</u> PEGGY ANN CONSTANTINO, JOHN PETER O'CONNOR
and ALLISON MARIE McCORMACK

Appeal No. 2004-1630
Application No. 09/449,707[1]

ON BRIEF

Before HAIRSTON, GROSS, and SAADAT, <u>Administrative Patent Judges</u>.

SAADAT, <u>Administrative Patent Judge</u>.

<u>DECISION ON APPEAL</u>

This is a decision on appeal from the Examiner's final rejection of claims 1-21, which are all of the claims pending in this application.

We affirm.

<u>BACKGROUND</u>

Appellants' invention is directed to an on-line method and system for creating master contracts and associated statements of work (SOW) and for handling and tracking their assembly,

---

[1] Application for patent filed November 24, 1999.

execution and closure. According to Appellants, handling and

tracking these SOW's and coordinating their changes with the

master contract in an efficient way is achieved by creating and

merging all or part of one or more model agreements into a

contract wherein tracking tools process date reminders and

approvals (specification, page 3). An understanding of the

invention can be derived from a reading of exemplary independent

claim 1, which is reproduced as follows:

    1.   A contract handling system, comprising:

       an entry tool for entering a client request or a client
inquiry;

       one or more model agreements;

       a document assembler for selecting and merging all or
part of said one or more model agreements into a contract in
response to said client request;

       a tracker tool coupled to said entry tool and said
document assembler for processing key date reminders and
approvals into tracking data; and

       a repository for storing said contract and said
tracking data and for responding to said client inquiry.

The Examiner relies on the following references:

Luchs et al.	4,831,526	May 16, 1989
Grubb et al. (Grubb)	5,272,623	Dec. 21, 1993
Shirley et al. (Shirley)	5,692,206	Nov. 25, 1997
Hoyt et al. (Hoyt)	6,067,531	May 23, 2000 (filed Jul. 21, 1998)

"Frequently Asked Questions about Your Virtual Agent Network for Worldwide Business!," Australian American Chamber of Commerce, 1996, pp. 1-20, "www. An2acc.com/VirtualAgentFAQ.htm" (VAN).

Claims 1, 3, 6, 7, 9, 12, 13, 15, 18, 19 and 21 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over the combination of Luchs, Hoyt and Shirley.

Claims 2, 8 and 14 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over the combination of Luchs, Hoyt and Shirley and further in view of VAN.

Claims 4, 5, 10, 11, 16, 17 and 20 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over the combination of Luchs, Hoyt and Shirley and further in view of Grubb.

We make reference to the answer (Paper No. 13, mailed March 9, 2004) for the Examiner's reasoning, and to the appeal brief (Paper No. 12, filed December 19, 2003) and the reply brief (Paper No. 14, filed April 16, 2004) for Appellants' arguments thereagainst.

OPINION

With respect to independent claims 1, 7 and 13, Appellants argue that Luchs includes, instead of model agreements, includes a database of stored paragraphs which may be selected and put together to form an insurance agreement (brief, page 7).

Additionally, Appellants assert that one skilled in the art would not be motivated to modify Luchs to include a repository for storing the tracking information since the modification is not relevant to the purpose of the reference which is merely concerned with generating insurance contracts from insurance applications (brief, page 10, reply brief, page 3). Appellants further point out that the modifications taught by Shirley relate to events which will occur after the contract has been generated which is of no concern to Luchs (brief, page 11, reply brief, page 5). Additionally, Appellants assert that even if the references were to be combined, the result would not have taught the claimed "processing key date reminders and approvals into tracking data" (brief, page 12).

In response to Appellants' arguments, the Examiner asserts that Luchs discloses the claimed model agreements as predetermined form paragraphs that are selected and sequenced to form a contract, similar to what is recited in the claims (answer, page 4). The Examiner further reasons that the fact that Luchs relates to creating insurance contracts does not negate its relevance to the other references such that one of ordinary skill in the art would not have combined Luchs with the other applied prior art references (answer, page 5).

Furthermore, the Examiner argues that although the system of Luchs may be "simple," the benefits of modifying such system with Hoyt and Shirley motivates one of ordinary skill in the art to make the combination (answer, page 6).

Before addressing the Examiner's rejections based upon prior art, it is an essential prerequisite that the claimed subject matter be fully understood. The claim construction analysis begins with the words of the claim. See Vitronics Corp. v. Conceptronic, Inc., 90 F.3d 1576, 1582, 39 USPQ2d, 1573, 1576 (Fed. Cir. 1996). Absent an express intent to impart a novel meaning to a claim term, the words take on the ordinary and customary meanings attributed to them by those of ordinary skill in the art. Brookhill-Wilk 1, LLC v. Intuitive Surgical, Inc., 334 F.3d 1294, 1298, 67 USPQ2d 1132, 1136 (Fed. Cir. 2003). While, the limitation of "model agreement" should be given its ordinary meaning, In re Etter, 756 F.2d 852, 858, 225 USPQ 1, 5 (Fed. Cir. 1985), it should also be interpreted as broadly as possible. Our reviewing court further reasons that the terms used in the claims bear a "heavy presumption" that they mean what they say and have the ordinary meaning that would be attributed to those words by persons skilled in the relevant art. Texas Digital Systems Inc. v. Telegenix Inc., 308 F.3d 1193, 1202, 64

USPQ2d 1812, 1817 (Fed. Cir. 2002), quoting CCS Fitness, Inc. v.

Brunswick Corp., 288 F.3d 1359, 1366, 62 USPQ2d 1658, 1662 (Fed.

Cir. 2002). Additionally, the specification must be examined in

every case to determine if the presumption of ordinary and

customary meaning is rebutted. See Ferguson Beauregard v. Mega

Sys., LLC, 350 F.3d 1327, 1338-39, 69 USPQ2d 1001, 1009 (Fed.

Cir. 2003). Accordingly, we will initially direct our attention

to Appellants' claim 1 to derive an understanding of the scope

and content thereof.

Claim 1 is directed to a contract handling system wherein

all or parts of one or more "model agreements" are merged into a

contract and includes a tracker for "processing" key date

reminders and approvals. Although Appellants argue that the

model agreements are different from the paragraphs of Luchs,

Appellants have not pointed to any part of their disclosure, nor

do we find any, that would have supported such distinction.

Absent any particular description in Appellants' specification

and contrary to Appellants' position (brief, page 8), the claimed

"model agreement" merely encompasses its ordinary meaning as a

preset template defining a part of a contract. Therefore, as

asserted by the Examiner, the predetermined form paragraphs of

Luchs read on the claimed "model agreements."

The initial burden of establishing reasons for unpatentability rests on the Examiner. In re Oetiker, 977 F.2d 1443, 1446, 24 USPQ2d 1443, 1445 (Fed. Cir. 1992). The Examiner must produce a factual basis supported by teaching in a prior art reference or shown to be common knowledge of unquestionable demonstration, consistent with the holding in Graham v. John Deere Co., 383 U.S. 1 (1966). Our reviewing court requires this evidence in order to establish a prima facie case. In re Piasecki, 745 F.2d 1468, 1471-72, 223 USPQ 785, 787-88 (Fed. Cir. 1984); In re Cofer, 354 F.2d 664, 668, 148 USPQ 268, 271-72 (CCPA 1966). However, "the Board must not only assure that the requisite findings are made, based on evidence of record, but must also explain the reasoning by which the findings are deemed to support the agency's conclusion." In re Lee, 277 F.3d 1338, 1344, 61 USPQ2d 1430, 1434 (Fed. Cir. 2002).

Our review of Luchs confirms that the reference relates to computerized generation of insurance contracts or quoting a premium for insurance polices (col. 2, lines 29-31). The contract is custom tailored by selecting from stored paragraphs those paragraphs that are relevant to the particular contract (col. 4, lines 6-19) and is then stored to be available for possible subsequent modifications (col. 4, lines 27-35).

Contrary to Appellants' position (brief, page 10), Luchs is concerned with tracking information associated with the generated insurance contracts and storing both the contract and its tracking data. In fact, the generated contract is stored and tracked for review and other functions such as "billing" (shown in the chart in col. 7), for tracking the applications (col. 8, lines 1-3) and for reviewing or editing of the information (col. 8, lines 8-12). Thus, the billing capability in the follow-up procedures, reporting and direct mailing of Luchs (col. 13, lines 49-58), which involve keeping track of dates by which payments are due, read on the claimed "processing key date reminders" into tracking data. Similarly, Luchs provides for processing the edit and review functions (col. 8, lines 8-12) as well as underwriting approval functions (col. 9, lines 52-54) in the system as a part of the tracking data.

Hoyt, on the other hand, relates to automating negotiation and generation of contracts by managing the work flow in a contract approval process (abstract). A list of contracts keeps track of approvals (col. 7, lines 34-38) and a status table tracks the contract process over time by coordinating the workflow progression (col. 12, lines 46-49). Tracking payment schedules, due dates and other tasks associated with the

execution of a contract is also disclosed by Shirley (col. 2, lines 14-18).

Based on these findings, we remain unconvinced by Appellants that the combination of Luchs, Hoyt and Shirley would not have suggested the claimed invention because Luchs does not track information associated with the generated contract. While there must be some teaching, reason, suggestion, or motivation to combine existing elements to produce the claimed device, it is not necessary that the cited references or prior art specifically suggest making the combination (see B.F. Goodrich Co. v. Aircraft Braking Systems Corp., 72 F.3d 1577, 1583, 37 USPQ2d 1314, 1319 (Fed. Cir. 1996) and In re Nilssen, 851 F.2d 1401, 1403, 7 USPQ2d 1500, 1502 (Fed. Cir. 1988)) as the appellants would apparently have us believe. In fact, the test for obviousness is what the combined teachings of the references would have suggested to one of ordinary skill in the art. See In re Young, 927 F.2d 588, 591, 18 USPQ2d 1089, 1091 (Fed. Cir. 1991) and In re Keller, 642 F.2d 413, 425, 208 USPQ 871, 881 (CCPA 1981).

Here, in addition to similar teachings in the applied references with regard to generating contracts from stored paragraphs and tracking information, the applied references indicate the desirability of the modifications for achieving

9

efficiency and flexibility (Luchs, col. 1, lines 37-38 and 58-62; Hoyt, col. 1, lines 55-62). We also note that the motivation to combine prior art references may be found in the nature of the problem to be solved. Ruiz v. A.B. Chance Co., 357 F.3d 1270, 1276, 69 USPQ2d 1686,1690 (Fed. Cir. 2004). As argued by the Examiner (answer, page 5) and shown above, Luchs is concerned with tracking information related to the contract after the contract is negotiated and generated. Therefore, the teachings of Hoyt and Shirley are relevant to Luchs and their combination would have been obvious to one of ordinary skill in the art. We also disagree with Appellants (brief, page 12) that storing of the date reminders and approvals in the system database of Luchs is different from "processing" such information. Specifically, as pointed out by the Examiner (answer, page 6), by being stored, the data is processed.

In view of the analysis above, we find the Examiner's reliance on the combination of Luchs, Hoyt and Shirley to be reasonable and sufficient to support a prima facie case of obviousness. Accordingly, we do not sustain the 35 U.S.C. § 103 rejection of independent claims 1, 7 and 13.

With respect to claims 3, 9 and 15, similar to the arguments provided above, Appellants argue that Luchs is only concerned

with generating contracts and not sending reminders (brief, page 14) and contest the manner in which the prior art is combined (brief, page 15). We disagree. As discussed above, it is the combined teachings of the applied references that suggest the claimed invention. In other words, all of the features of the secondary reference need not be bodily incorporated into the primary reference (see In re Keller, 642 F.2d at 425, 208 USPQ at 881 (CCPA 1981)) and the artisan is not compelled to blindly follow the teaching of one prior art reference over the other without the exercise of independent judgment (see Lear Siegler, Inc. v. Aeroquip Corp., 733 F.2d 881, 889, 221 USPQ 1025, 1032 (Fed. Cir. 1984)). Therefore the 35 U.S.C. § 103 rejection of claims 3, 9 and 15 is sustained.

With respect to claims 6, 12 and 18, Appellants argue that the "supplemental provisions" of Shirley add nothing to the paragraphs of Luchs because they are the same (brief, page 16). We agree with the Examiner (answer, page 16) that the additional and supplemental provisions taught by Shirley are used in addition to the standard document (col. 2, lines 11-14) and therefore, enhance the paragraphs of Luchs. Accordingly, we sustain the 35 U.S.C. § 103 rejection of claims 6, 12 and 18.

With regard to claims 19 and 21, we also agree with the Examiner that, similar to claim 13, the storage of the data and instructions on a medium would have been obvious. Therefore, the 35 U.S.C. § 103 rejection of claims 19 and 21 is also sustained.

Turning now to the rejection of claims 2, 8 and 14 over Luchs, Hoyt, Shirley and VAN, we note Appellants' assertion that VAN suggests implementing different languages for negotiation and not for contract generation (brief, page 19, reply brief, page 16). However, we find that the Examiner has provided a reasonable rationale for combining the use of a plurality of languages in a system related to legal communications for generating contracts (answer, page 8). Accordingly, we sustain the 35 U.S.C. § 103 rejection of claims 2, 8 and 14.

Finally, with respect to the rejection of claims 4, 5, 10, 11, 16, 17 and 20 over Luchs, Hoyt, Shirley and Grubb, Appellants argue that Grubb's alternate clauses are the same as Luch's paragraphs (brief, page 20) and that no suggestion was provided for indexing such clauses (brief, page 21). We remain unconvinced by Appellants and point to the use of a database of clauses in Grubb for enhancing the contract generation (col. 1, lines 6-22). Additionally, although not specifically identified by the Examiner, Table II (col. 6, starting at line 48) shows

12

indexing of the clauses by listing various categories for sorting the database. Accordingly, we do not find Appellants' arguments to be sufficient to rebut the case of <u>prima facie</u> obviousness as reasonably set forth by the Examiner. Therefore, the 35 U.S.C. § 103 rejection of claims 4, 5, 10, 11, 16, 17 and 20 is sustained.

CONCLUSION

In view of the foregoing the decision of the Examiner rejecting claims 1-21 under 35 U.S.C. § 103 is affirmed.

No time period for taking any subsequent action in connection with this appeal may be extended under 37 CFR § 1.136(a).

AFFIRMED

KENNETH W. HAIRSTON
Administrative Patent Judge

ANITA PELLMAN GROSS
Administrative Patent Judge

MAHSHID D. SAADAT
Administrative Patent Judge

)
)
)
)
)
)
) BOARD OF PATENT
)   APPEALS
)   AND
)   INTERFERENCES
)
)
)
)
)
)

MDS/ki

14

Appeal No. 2004-1630
Application No. 09/449,707

John R. Pivnichny
IBM Corporation Dept. N50 Bldg. 40 4
1701 North Street
Endicott, NY 13760